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RUEHKL/AMEMBASSY KUALA LUMPUR 0041
RUEHLC/AMEMBASSY LIBREVILLE 0932
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RUEHHK/AMCONSUL HONG KONG 0026
RUCPDO/USDOC WASHDC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

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SIPDIS

SIPDIS

DEPT FOR AF, EB, E FOR STEPHEN NEWHOUSE, ENERGY FOR CAROLYN
GAY AND GEORGE PEARSON, TREASURY FOR OTA, LONDON AND PARIS
FOR AFRICA WATCHERS, DAKAR FOR FCS REPRESENTATIVE CYNTHIA
GRIFFITH GREENE

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [ENRG](#) [PGOV](#) [CD](#)

SUBJECT: CHEVRON FINALLY ABLE TO ARRIVE, GOC PRESSES ON
WITH RENEGOTIATIONS

REF: NDJAMENA 1137

¶1. (SBU) SUMMARY: After a brief delay, Chevron, which
finally received authorization to arrive in Chad, will meet
GOC officials on Thursday to try to pay its taxes, per the
September 7 agreement in Paris between President Deby and CEO
O'Reilly. The GOC continues to press on with preparations
for the renegotiation of the 1988 and 2004 conventions.
Civil society, while in support of the GOC efforts to
consider a renegotiation, questions whether the GOC has the
technical expertise to negotiate an agreement beneficial for
the Chadian people. END SUMMARY.

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CHEVRON FINALLY ARRIVES
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¶2. (SBU) A Chevron team, led by General Manager Carole Rock,
has finally arrived in N'Djamena to begin technical
discussions with GOC authorities on the payment of taxes in
accordance with the agreements on September 7 between Chadian
President Idriss Deby Itno and Chevron CEO Dave O'Reilly.
Rock told Economic/Consular officer on September 19 that the
decision to enter into the country came down to the wire, as
Chevron had not received a letter from the Chadian Office of
the Presidency until three hours before the Chevron
authorities were supposed to depart Paris for N'Djamena.

¶3. (SBU) Once at the airport, Chadian immigration
authorities permitted the Chevron team to pass through
customs after seeing the letter from the Presidency. Rock
said that the team would meet officials at the Ministry of
Finance and the National Tax Director to hammer out the
details on the actual payment. Rock did not comment on
whether the tax payment calculation proposed by Chevron
matched the GOC's tax assessment, but hoped that a resolution
would be reached on a technical level.

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MINISTER OF PETROLEUM ON OIL MATTERS

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¶4. (SBU) On September 18, newly-appointed Minister of Petroleum Emmanuel Nadingar told Ambassador Wall that Chevron was welcome into the country to hammer out the technical details of its tax payments to the GOC. The company, however, needed to make sure that Chadian authorities were aware of the agreement made between President Deby and CEO O'Reilly, as only a handful of GOC officials were present in the meeting in Paris. Nadingar also noted his hope that Chevron's tax calculations were fair and conformed to what the GOC felt it was entitled to from Chevron.

¶5. (SBU) The Minister continued to say that the GOC was still moving ahead with the planning of the renegotiation of the 1988 and 2004 oil conventions with the Consortium. The Government's national commission had already begun discussions on the renegotiation, and a group of technical experts had been formed to assist the national commission's efforts. The Ambassador encouraged Nadingar to consider approaching the Embassy on its concerns before going public with dramatic announcement (as was done by President Deby in his August 26 decision to expel Chevron and Petronas). The Minister agreed and said that the GOC would keep the U.S. Embassy informed of developments during the course the negotiations with the Consortium.

¶6. (SBU) The Ambassador also introduced the Department of Treasury's Resident Advisor to the Revenue Management College (CCSRP), and stressed the importance that the U.S. placed on supporting the activities of the College. Nadingar said the GOC welcomed any resources that would help it to better

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manage its oil revenues, and hoped that the technical assistance for the College would continue. He pointed out that the GOC was committed to the transparent management of its oil revenues, and would work with the international community to ensure that revenues were used for poverty alleviation.

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CIVIL SOCIETY'S VIEWS
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¶7. (SBU) Civil society representatives hosted a workshop on September 16 to present their views publicly on the GOC's decision to renegotiate the 1988 and 2004 conventions with the Consortium. The workshop revealed that civil society representatives believe that the conventions need to be renegotiated to allow the GOC a stake in the production of the country's crude oil. However, they questioned whether the GOC has the technical means to adequately negotiate with the oil companies, who, they claimed during the workshop, had a greater level of expertise in negotiations. The representatives also expressed their belief that the GOC was doing little to inform the public on the technical aspects of the current convention and plans for the GOC to enter into the oil production process, and called on the national oil commission to do more to inform the public on its activities.

WALL